

For immediate release

TC Transcontinental announces new agreement with Hearst

Montréal, December 21, 2017 – Transcontinental Inc. (TSX: TCL.A TCL.B) today announced that, effective April 2, 2018, TC Transcontinental will transfer to Hearst the printing operations of its Fremont, California facility where Hearst's *San Francisco Chronicle* — the largest newspaper in Northern California and the second largest on the West Coast — and its related products are printed, and post-press services are conducted. Under the terms of the agreement, TC Transcontinental will continue printing the newspaper in Fremont for a transition period.

TC Transcontinental will receive a cash payment of US\$42.8 million from Hearst as compensation for the early termination of the printing agreement, for the sale of some of its printing equipment, and for services to be rendered as part of a Transitional Service Agreement. The amount will be received mainly in 2017, and the balance in 2018.

On April 2, TC Transcontinental employees working at the Fremont plant will be transferred to Hearst. TC Transcontinental would like to thank all these employees for their dedication and professionalism over the years and wishes them continued success, going forward with Hearst. TC Transcontinental maintains ownership of its Fremont, California plant and will be renting the facility to Hearst until the end of 2024.

The Corporation will transfer the remaining equipment in Fremont to other TC Transcontinental Canadian plants in 2018 to create efficiencies within its retail printing platform. TC Transcontinental will also transfer the retail volume from the Fremont operation to other plants in its printing network and ensure a seamless transition for its customers.

Conference Call

The Corporation will hold a conference call for the financial community today at 4:30 p.m. The dial-in numbers are 1 647 788-4922 or 1 877 223-4471 and the conference ID is 4876448. Media may hear the call in listen-in only mode or tune in to the simultaneous audio broadcast on the Corporation's website, which will then be archived for 30 days. For the conference recording playback, dial in numbers are 1 416 621-4642 or 1 800 585-8367. For media requests or interviews, please contact Nathalie St-Jean, Senior Advisor, Corporate Communications, at 514 954-3581.

About TC Transcontinental

TC Transcontinental is Canada's largest printer and a key supplier of flexible packaging in North America. The Corporation is also a leader in its specialty media segments. TC Transcontinental's mission is to create products and services that allow businesses to attract, reach and retain their target customers.

Respect, teamwork, performance and innovation are strong values held by the Corporation and its employees. The Corporation's commitment to its stakeholders is to pursue its business activities in a responsible manner.

Transcontinental Inc. (TSX: TCL.A TCL.B), known as TC Transcontinental, has over 6,500 employees in Canada and the United States, and revenues of C\$2.0 billion in 2017. Website www.tc.tc

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